

**ASSEMBLY BILL**

**No. 550**

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**Introduced by Assembly Member Lieu**

February 25, 2009

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An act to add Division 22 (commencing with Section 70000) to the Financial Code, relating to financial literacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 550, as introduced, Lieu. California Financial Literacy Initiative.

The California Constitution requires the Legislature to encourage the promotion of intellectual improvement. Existing law regulates financial institutions and their interactions with the public. Existing law recognizes the existence of specialized financial institutions that provide services, including, but not limited to, financial literacy training, to underserved communities.

This bill would establish the California Financial Literacy Initiative in the Controller's office for the purpose of providing resources and instruction to Californians. The initiative would be administered by the Controller. The bill would establish the California Financial Literacy Fund in the State Treasury and would authorize the Controller to deposit private donations into the fund from entities with no direct financial interest in any financial products. The bill would require those moneys to be made available upon appropriation in the annual Budget Act. The bill would require the Controller, beginning in 2011, to report to specified committees of the Legislature annually on or before August 30 on the implementation of the initiative, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Division 22 (commencing with Section 70000)  
2 is added to the Financial Code, to read:

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4           DIVISION 22. CALIFORNIA FINANCIAL LITERACY  
5                           INITIATIVE  
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7     70000. For purposes of this division, “initiative” means the  
8 California Financial Literacy Initiative.

9     70001. (a) The California Financial Literacy Initiative is hereby  
10 established in the Controller’s office as a program for improving  
11 financial literacy by providing resources and instruction to  
12 Californians.

13     (b) The initiative shall be administered by the Controller.

14     70002. The California Financial Literacy Fund is hereby  
15 established in the State Treasury. The purpose of the fund is to  
16 implement measures defined by the initiative. The Controller may  
17 accept private donations from entities with no direct financial  
18 interest in any financial products and deposit those donations into  
19 the fund, which shall be made available upon appropriation in the  
20 annual Budget Act.

21     70003. Beginning in 2011, the Controller shall provide to the  
22 respective chairpersons of the Assembly Committee on Banking  
23 and Finance and the Senate Committee on Banking, Finance and  
24 Insurance an annual report on the initiative. This report shall  
25 include, but not be limited to, steps taken to partner with the  
26 financial services community and governmental and  
27 nongovernmental stakeholders to improve Californians’ financial  
28 literacy, a description of the basic financial skills information  
29 available on the Controller’s Internet Web site and plans to improve  
30 that clearinghouse of information, any nonstate funding received  
31 for purposes of this initiative, and any additional recommendations  
32 to enhance financial literacy in California. This report shall be  
33 submitted no later than August 30 of each year.